

**STATE TRANSPORTATION BOARD OF GEORGIA
MINUTES**

**Kirbo Center
Bainbridge State College
2500 E. Shotwell Street
Bainbridge, GA 39819**

**May 15, 2014
9:00 a.m.**

BOARD MEMBERS IN ATTENDANCE:

Jay Shaw, Chairman
Don Grantham, Vice Chairman (*via telephone*)
Emily Dunn, Secretary (*via telephone*)
Ann Purcell
Johnny Floyd
Robert Brown
Stacey Key (*via telephone*)
Dan Moody
Rudy Bowen
Jamie Boswell
Jeff Lewis
Roger Williams

BOARD MEMBERS ABSENT:

Sam Wellborn
Dana Lemon

DOT STAFF IN ATTENDANCE:

Keith Golden, Commissioner
Todd Long, Deputy Commissioner
Russell McMurry, Chief Engineer
Angela Whitworth, Treasurer
Matt Cline, General Counsel

Chairman Jay Shaw called the meeting to order at 9:00 a.m. Jeff Lewis gave the invocation.

Johnny Floyd introduced special guests Senator Dean Burke and Representative Darlene Taylor, and thanked all of Bainbridge for the hospitality and community tour.

Chairman Shaw asked for a motion to approve the minutes from the April 2014 meetings. Roger Williams made a motion to approve the minutes from the April 2014 meetings, seconded by Ann Purcell and unanimously approved.*

Russell McMurry, Chief Engineer, presented the projects proposed for the June 2014 Letting for approval. Chairman Shaw asked for a motion to approve. Rudy Bowen made a motion to approve the projects proposed for the June 2014 Letting, seconded by Johnny Floyd and unanimously approved.*

Russell McMurry, Chief Engineer, presented the revisions to the Construction Work Program for May 2014 for approval. Chairman Shaw asked for a motion to approve the revisions to the Construction Program for May 2014. Don Grantham made a motion to approve the revisions to the Construction Work Program for May 2014, seconded by Robert Brown and unanimously approved.

Rick McCaskill, Director of the Bainbridge Industrial Authority, and Richard Carvajal, President of Bainbridge State College, presented a community and college overview highlighting successes and opportunities in Bainbridge.

Keith Golden, Commissioner, gave his monthly report, which included state fund collections; total employment figure for the month ending April 2014; the 2014 Scholarship Awards; a summary of Secretary Foxx's letter to state DOTs detailing impacts of reimbursements for transportation projects; update on continuing employee development; and major projects opened to traffic.

Chairman Shaw asked for a motion to approve the following resolution. Rudy Bowen made a motion to approve the following resolution, seconded by Jay Shaw and unanimously approved.

RESOLUTION OF THE STATE TRANSPORTATION BOARD OF GEORGIA

WHEREAS, the State Transportation Board did, in regular session on November, 18, 1971 adopt a policy on outdoor advertising; and

WHEREAS, said policy adopted by the State Transportation Board contained a Schedule "A" pertaining to cities and counties in Georgia which maintained comprehensive zoning plans; and

WHEREAS, that State Transportation Board has directed its staff to make necessary recommendations in order that Schedule "A" of the said Outdoor Advertising Policy may be kept current with changing conditions in cities and counties regarding comprehensive zoning plans; and

WHEREAS, the State Transportation Board did, in regular session on December, 18, 1975, adopt a resolution that said that the Board would review all comprehensive zoning plans submitted for initial approval, to ascertain and determine if said zoning plans can be certified for purposes of outdoor advertising consistent with the State and Federal Law or the Federal/State Agreement; and

WHEREAS, the Department of Transportation has determined that the following recommendation is appropriate regarding comprehensive zoning plans:

<u>CITY/COUNTY</u>	<u>COMPREHENSIVE ZONING</u>	<u>RECOMMENDATION</u>
City of Lula	Comprehensive Zoning Plan	Approve

NOW, THEREFORE, be resolved that the State Transportation Board, in regular session this date does hereby amend Schedule "A" of the Department of Transportation Outdoor Advertising Policy by including the above recommendations.

Resolved this 15th day of May, 2014.

Chairman Shaw asked for a motion to approve the following resolution. Rudy Bowen made a motion to waive the 10-day rule, seconded by Ann Purcell and unanimously approved. Jamie Boswell made a motion to approve the following resolution, seconded by Robert Brown and the motion passed with Dan Moody voting nay.

RESOLUTION OF THE STATE TRANSPORTATION BOARD OF GEORGIA

- I. WHEREAS**, the Department of Transportation (the "Department") was created as a department of the State of Georgia (the "State") in accordance with O.C.G.A. §§ 32-2-1 and 32-2-2;
- II. WHEREAS FURTHER**, the State Transportation Board (the "Board") is charged with the general control and supervision of the Department, including, but not limited to, the approval of all long-range plans and programs of the Department, in accordance with O.C.G.A. § 32-2-21;
- III. WHEREAS FURTHER**, pursuant to Article VII, Section IV of the Constitution of the State of Georgia (the "Georgia Constitution"), the State may finance certain capital needs directly through the issuance of general obligation debt;
- IV. WHEREAS FURTHER**, pursuant to Article VII, Section IV, Paragraph VII(a) of the Georgia Constitution, and the "Georgia State Financing and Investment Commission Act", O.C.G.A. §§ 50-17-20 through 50-17-30 (the "Commission Act"), the Georgia State Financing and Investment Commission (the "Commission") is the agency and instrumentality of the State charged with issuing debt of the State and ensuring the proper application, as provided by law, of the proceeds of such debt to the purposes for which the debt is incurred;
- V. WHEREAS FURTHER**, Article VII, Section IV, Paragraph I(c) of the Georgia Constitution, and the Commission Act provide that certain general obligation debt (as defined by O.C.G.A. § 50-17-21 (5) and hereinafter "General Obligation Debt") may be incurred to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions, and of those State authorities which were created and activated prior to November 8, 1960;
- VI. WHEREAS FURTHER**, as set forth in **ATTACHMENT 1** attached hereto and incorporated herein, the General Assembly has passed and the Governor has signed various appropriations acts authorizing amounts from state general funds to be appropriated for the purpose of financing certain capital projects through the issuance of General Obligation Debt, and such appropriations are more fully set forth in such **ATTACHMENT 1**;
- VII. WHEREAS FURTHER**, with respect to the appropriations set forth in **ATTACHMENT 1** hereto, the State previously has issued General Obligation Debt as indicated and there remains the General Obligation Debt Available, as more fully set forth in **ATTACHMENT 1** hereto;
- VIII. WHEREAS FURTHER**, the Board finds an immediate need for the aggregate principal amount of \$152,695,000 of the General Obligation Debt Available as set forth in **ATTACHMENT 1** hereto for the purpose of financing some or all of the projects and facilities associated with the appropriations set forth in **ATTACHMENT 1** hereto (the "Projects");
- IX. WHEREAS FURTHER**, the Board therefore desires to request the issuance of \$152,695,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto (the "General Obligation Bonds"), for the purpose of financing some or all of the Projects;
- X. WHEREAS FURTHER**, the Board is aware that the Projects (other than the "Private Use Projects", as defined below) shall be completed with proceeds derived from the sale of the General Obligation Bonds with the intent that interest on such General Obligation Bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") (such General Obligation Bonds being referred to as the "Tax-Exempt Bonds");
- XI. WHEREAS FURTHER**, the Board is aware of the provisions and requirements of the Code and the regulations issued thereunder respecting arbitrage bonds and private activity bonds, and is aware that the Projects

must proceed with due diligence and be timely completed following receipt of the proceeds derived from the sale of the General Obligation Bonds (the "Bond Proceeds");

XII. WHEREAS FURTHER, as used in this Resolution, the term:

A. "Private Use Projects" shall mean the projects and facilities associated with those appropriations, as set forth in **ATTACHMENT 1** hereto, which are designated as "**FEDERALLY TAXABLE**"; may give rise to "private business use" within the meaning of Section 141(b)(1) of the Code;

B. "Private Use Bonds" shall mean the federally taxable General Obligation Bonds applicable to the Private Use Projects;

C. "Private Business Use Proceeds" shall mean that portion of the Bond Proceeds derived from the sale of the Private Use Bonds;

D. "Tax-Exempt Projects" shall mean the Projects, excluding the Private Use Projects, financed with the proceeds of the Tax-Exempt Bonds;

E. "Tax-Exempt Proceeds" shall mean the Bond Proceeds derived from the sale of the Tax-Exempt Bonds;

XIII. WHEREAS FURTHER, the Board intends to use all or a portion of the Private Business Use Proceeds for certain purposes which may give rise to "private business use", as defined by Section 141 of the Code and thus is requesting that the Private Use Bonds be issued as federally taxable bonds,

NOW, THEREFORE, BE IT RESOLVED BY THE STATE TRANSPORTATION BOARD THAT:

SECTION 1.

The Board hereby approves and authorizes the Projects.

SECTION 2.

The Board hereby requests the Georgia State Financing and Investment Commission to undertake to issue \$152,695,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto, for the purpose of financing some or all of the Projects.

SECTION 3.

The Board hereby determines and agrees that:

(a) the final plans for the Tax-Exempt Projects are sufficiently complete such that substantial binding obligations to a third party or parties (as defined in the regulations issued under the Code), involving the expenditure of at least five percent (5%) of the Tax-Exempt Proceeds herein requested, to commence or acquire the Tax-Exempt Projects will be incurred within six (6) months after the issuance of such Tax-Exempt Bonds;

(b) eighty-five percent (85%) of the Tax-Exempt Proceeds herein requested will be expended within three (3) years after the issuance of such Tax-Exempt Bonds;

(c) the Tax-Exempt Proceeds herein requested, and anticipated investment proceeds (net of interest on such Tax-Exempt Bonds during the estimated period of construction), will not exceed the amount necessary for the governmental purposes of financing the Tax-Exempt Projects;

- (d) during the time the Tax-Exempt Bonds herein requested are outstanding, the Department will not take, or omit to take, any action which would cause such Tax-Exempt Bonds to be deemed private activity bonds or arbitrage bonds under the Code;
- (e) the Department will not use the Tax-Exempt Proceeds herein requested, or the Tax-Exempt Projects financed with such Tax-Exempt Proceeds, for any non-governmental purpose, or any purpose that would give rise to private business use within the meaning of the Code, except for those specific instances in which the Department has previously consulted with the Commission;
- (f) the term of the Tax-Exempt Bonds related to the Tax-Exempt Projects will not be longer than 120% of the reasonably expected economic life of the Tax-Exempt Projects financed thereunder;
- (g) no Tax-Exempt Proceeds herein requested will be used for reimbursement of any Tax-Exempt Project expenditures which were made before the anticipated delivery date of such Tax-Exempt Bonds, except in situations where, prior to any such expenditure, the Department has obtained a declaration of "Official Intent" (as defined by the Code) from the Commission, or the Department has been otherwise advised in writing by the Commission that such reimbursement will be permitted, it being the intention of the Department to comply in all respects with Section 1.150-2 of the regulations under the Code;
- (h) all of the expenditures of the Tax-Exempt Proceeds for the Tax-Exempt Projects will constitute capital expenditures (as defined in Section 1.150-1(b) of the regulations under the Code);
- (i) with respect to the Tax-Exempt Projects, all of the Tax-Exempt Proceeds will be allocated to Tax-Exempt Project expenditures no later than the earlier of: (i) eighteen (18) months after the date such Tax-Exempt Project is placed in service, or (ii) five (5) years after the issuance of such Tax-Exempt Bonds; any unallocated Tax-Exempt Proceeds remaining after the earlier of such dates shall be transferred to the Commission and used to redeem outstanding tax-exempt General Obligation Debt of the applicable issue.

SECTION 4.

The Board hereby determines and agrees that with respect to any Department project previously financed with proceeds of General Obligation Debt issued by the State with the intent that (i) the interest on such bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code or (ii) such bonds at the time of their issuance were designated by the State as Build America Bonds under Section 54AA of the Code (a "Prior Bond Project"), and where any Prior Bond Project bonds remain outstanding (including any refunding bonds), the Board certifies that such Prior Bond Project is not now being used for any private business use within the meaning of pertinent provisions of the Code, except for those specific instances in which the Department has identified to the Commission such use of the Prior Bond Project(s) and (a) provision was made so as to retire, redeem or defease any and all then-remaining outstanding bonds for the Prior Bond Project(s) concurrent with such use or (b) the Commission has determined that the aforementioned retirement, redemption or defeasance is not required to maintain the tax-exempt or Build America Bond status of such bonds.

SECTION 5.

The Commissioner of Transportation, the Chairman of the Board, the Secretary of the Board, and their valid delegates each are hereby authorized and directed to execute any instruments and take whatever action which may be necessary in connection with the issuance of the General Obligation Bonds by the Commission, including, but not limited to, the preparation and execution of answers in connection with any legal proceeding as to the validity of any action by the Board with respect to the issuance of the General Obligation Bonds by the Commission. The Attorney

General or any Assistant Attorney General of the State are authorized to execute Acknowledgment of Service and Waiver of Process in such legal proceedings.

SECTION 6.

All attachments, exhibits and schedules attached hereto or referenced in this Resolution are hereby incorporated herein and made a part hereof.

This Resolution is hereby adopted this 15th day of May, 2014.

ATTACHMENT 1

**DEPARTMENT OF TRANSPORTATION
APPROPRIATIONS**

Pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Assembly has passed and the Governor has signed various appropriations acts set forth in this Attachment 1, so as to make certain appropriations to the State of Georgia General Obligation Debt Sinking Fund for the purpose of financing certain capital projects through the issuance of General Obligation Debt.

H.B. 119, State Fiscal Year 2009-2010:

The General Appropriations Act for State Fiscal Year 2009-2010 (Ga. L. 2009, Volume One, Book Two Appendix, commencing at p. 1 of 330, Act No. 345, 2009 Regular Session, H.B. 119) signed by the Governor on May 11, 2009; as amended by the Supplementary General Appropriations Act for State Fiscal Year 2009-2010 (Ga. L. 2010, Volume One, Book Two Appendix, commencing at p. 1 of 242, Act No. 352, 2010 Regular Session, H.B. 947) signed by the Governor on May 6, 2010.

H.B. 948, State Fiscal Year 2010-2011:

The General Appropriations Act for State Fiscal Year 2010-2011 (Ga. L. 2010, Volume One, Book Two Appendix, commencing at p. 1 of 164, Act No. 684, 2010 Regular Session, H.B. 948) signed by the Governor on June 4, 2010; as amended by the Supplementary General Appropriations Act for State Fiscal Year 2010-2011 (Ga. L. 2011, Volume One, Book Two Appendix, commencing at p. 1 of 147, Act No. 2, 2011 Regular Session, H.B. 77) signed by the Governor on March 9, 2011.

H.B. 744, State Fiscal Year 2014-2015:

The General Appropriations Act for State Fiscal Year 2014-2015 (Ga. L. 2014, Volume One Appendix, commencing at p. 1 of 139, Act No. 632, 2014 Regular Session, H.B. 744) signed by the Governor on April 28, 2014.

H.B.	Bond	Appropriation	General Obligation Debt Authorized	General Obligation Debt Previously Issued	General Obligation Debt Available	General Obligation Debt Requested
119	397.232	From State Motor Fuel Funds, \$9,080,000 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$100,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of 240 months.	\$100,000,000	\$70,000,000	\$30,000,000	\$30,000,000
948	95	From State Motor Fuel Funds, \$17,440,000 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$200,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	\$200,000,000	\$100,000,000	\$100,000,000	\$100,000,000
744	130	From State General Funds, \$1,925,600 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$14,500,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of one hundred and twenty months.	\$14,500,000	\$0	\$14,500,000	\$14,500,000
744	131	<u>FEDERALLY TAXABLE</u> From State General Funds, \$653,306 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$7,195,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	7,195,000	0	7,195,000	7,195,000

H.B.	Bond	Appropriation	General Obligation Debt Authorized	General Obligation Debt Previously Issued	General Obligation Debt Available	General Obligation Debt Requested
744	132	<u>FEDERALLY TAXABLE</u> From State General Funds, \$90,800 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	1,000,000	0	1,000,000	1,000,000
Total			<u>\$322,695,000</u>	<u>\$170,000,000</u>	<u>\$152,695,000</u>	<u>\$152,695,000</u>

Chairman Shaw asked for a motion to approve the following resolution. Jamie Boswell made a motion to waive the 10-day rule, seconded by Dan Moody and unanimously approved. Jeff Lewis made a motion to approve the following resolution, seconded by Ann Purcell and unanimously approved.

RESOLUTION OF THE STATE TRANSPORTATION BOARD OF GEORGIA

WHEREAS, the Georgia Department of Transportation (the “**Department**”) is the owner of the roadway known as Interstate Highway 75, specifically that portion in the median of Interstate Highway 75, extending approximately 12 miles from State Route 155/McDonough Road to State Route 138/Stockbridge Highway in Henry and Clayton Counties (the “**Property**”); and

WHEREAS, the Department has previously approved and entered into a design/build contract with respect to a project consisting of the construction of two reversible managed lanes on the Property (the “**Project**”); and

WHEREAS, pursuant to O.C.G.A. § 32-10-63, the State Road and Tollway Authority (the “**Authority**”) has the power to acquire by purchase, lease, exchange or otherwise and to hold, lease and dispose of real and personal property of every kind and character, and to construct, erect, acquire, own, repair, maintain, add to, extend, improve, operate, and manage one or more roads or bridges or a system of roads, bridges, and tunnels or improvements thereto, or toll access roads, bridges, or tunnels, with access limited or unlimited as determined by the Authority, and such buildings, structures, parking areas, appurtenances and facilities related thereto, included but not limited to approaches, cross streets, roads, bridges, tunnels, and avenues of access for such facilities; and

WHEREAS, pursuant to O.C.G.A. § 32-10-64, the Authority is authorized and empowered to collect tolls on each and every project which it shall cause to be constructed or acquired; and

WHEREAS, pursuant to O.C.G.A. § 32-10-67, the State Transportation Board (the “**Board**”) and the Authority adopted a Joint Resolution on January 16, 2014, for the purpose of initiating the Project, which resolution provided for division of duties and responsibilities between the Department and the Authority with respect to any such project, and authorized the conveyance of property to the Authority through a Estate for years; and

WHEREAS, it also contemplated that access to the Project will be managed through the imposition and collection of tolls (the "**Tolls**") by the Authority in order to maintain free-flowing traffic during peak travel times and the Joint Resolution adopted on January 16, 2014, authorized the imposition and collection of Tolls on the Project; and

WHEREAS, in order to outline the division of duties and responsibilities between the Department and the Authority during the construction of the project and during the operation of the project after construction, several agreements will be entered into which will outline and detail the roles of the Department and the Authority.

NOW THEREFORE, BE IT RESOLVED BY THE STATE TRANSPORTATION BOARD that it is hereby declared and determined that it is advisable, feasible and in the best interest of the transportation needs of the citizens of the State of Georgia that the Project be completed.

BE IT FURTHER RESOLVED that the recitals set forth above shall be deemed and are hereby declared to be the findings of the Board.

BE IT FURTHER RESOLVED that the Board hereby approves the Department entering into the I-75 South Express Lanes Construction Phase Intergovernmental Agreement, (Exhibit "A"), the I-75 South Express Lanes Operations Phase Intergovernmental Agreement (Exhibit "B"), and any other agreement deemed necessary by the Department to further memorialize the relative rights, roles and responsibilities of each of the Department and the Authority as such relates to the design, building, operation and maintenance, and financing of the Project; subject, however, to such modifications, changes or amendments thereto as may be deemed reasonably necessary or appropriate by the Department and the Authority.

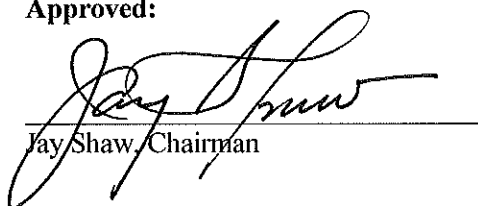
BE IT FURTHER RESOLVED that any and all resolutions or parts thereof in conflict with this Resolution are hereby repealed.

So approved on this 15th day of May, 2014.

Jamie Boswell gave a report from the Finance Committee.* There was no action taken at the meeting.

Under new business, Chairman Shaw introduced District Engineer Joe Sheffield and commended him and his staff for the excellent job they do in District Four. There being no further business, Chairman Shaw adjourned the meeting at 9:57 a.m.

Approved:


Jay Shaw, Chairman

Respectfully submitted:


Emily Dunn, Secretary

*Denotes documentation in file.